

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Powell:

My name is Charles E. (Rick) Kunze. I founded and still operate the only locally owned ISP in Colusa County California. I started out in 1996 by myself and now employ 2 full time and 2 part time employees. We offer dial-up, our own DSL over dry copper pairs, along with web hosting and email services for roughly 1000 customers. The main issue I wish to address is how our telco, Citizens Golden State (AKA Frontier Communications) is a poorly run, predatory monopoly. If it weren't for my ability to buy connectivity from CLECs outside the county, I would not have survived. Our telco charges extremely high prices for T1 circuits. Even business phone lines in this area are OVER \$50.00 PER MONTH EACH.

In August of 1998, after researching the market and attending various trade conventions, I realized that DSL was going to be the next quantum leap. I contacted local telco representatives to find out if I would be able to procure dry copper pairs to deliver this service to my customers. The telco representatives actually suggested this to me earlier with regard to a leased line that was only about 1/2 mile long. I was told I could get dry copper pairs no problem. As a tiny ISP at that time, borrowing upwards of \$10,000.00 to purchase the DSL chassis was a monumental risk I could barely afford.

Once I had the equipment, I called the telco to order the first dry pair and was told that they would not sell it to me. I was told that their tariff didn't allow for digital data even though I had discussed exactly what I wanted to do with them back when they told me I could get them. To make a long story short, what they finally did was to sell me the circuits, then send me a letter a few weeks later indicating I was using them for digital data and they terminated the circuits. This went on for about 8 months until I found a good PUC lawyer. With one letter to their legal department they folded and have sold me the circuits ever since. The point being, they were illegally prohibiting me from selling a service the tariff for which didn't prohibit that which I was doing. There was no verbiage in the tariff (CZN Schedule G) precluding digital data. All the lawyer had to do was to tell them what they were doing was not supported by law.

In the mean time, while they were stalling me, they were aggressively planning the roll-out of their own DSL which came along a couple years later. They offered me the option of reselling their ADSL but the costs were ridiculously expensive while at the same time they sell their DSL so cheap that I can't compete. They still sell me dry pairs, the difference being that they install their DSL circuits in 2 to 3 days, and mine take 3 to 4 weeks. Some took as long as 5 months to install. Also, while delaying my circuits, they have been known to contact my customers and solicit the business away from me. IT IS FAR FROM A FAIR, LEVEL PLAYING FIELD!

I strongly urge the FCC to think of the consumer, and to consider that the consumer is best served by having many choices. It is the presence of competition that makes this all move forward. I was first in this county with Dial-up, and the telco came along several years later. I was first with DSL, and the telco came along several years later. The small ISPs are the first to

do everything. We can make changes overnight. Please don't put us out of business.

I would love to see the FCC do things that helped the consumer. This is what everyone wants, a fair and competitive business environment. Closing the networks, in effect giving the monopolies even MORE power, is in the best interest of only those monopolies. It will limit choices by putting many of us small ISPs, the innovators who lead the pack with technological advancement, out of business.

Thank you for the opportunity to express my views.

Sincerely,

Rick Kunze
1041 Main St.
Colusa, CA 95932